MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 2, 2017/2018

PFA0064 – ESSENTIALS OF FINANCIAL ACCOUNTING

(Foundation in Management)

9 MARCH 2018
9 a.m - 11 a.m
(2 Hours)

INSTRUCTIONS TO STUDENT

1. This question paper consists of **FOUR** pages(excluding cover page) with 4 questions only.

2. Answer **ALL** questions. All questions carry equal marks and the distribution of the marks for each question is given.

3. Write your answers in the Answer Booklet.

Question 1

The following are balances for Macrayon Berhad for the year ended 31st December 2017.

	(RM)
Inventories at 1, January 2017:	
Raw materials	50,400
Work in progress	60,200
Finished goods	44,240
Purchases: Raw materials	182,060
Carriage on raw materials	4,280
Direct labour	164,426
Office salaries	66,828
Rent	10,200
Office lighting and heating	20,250
Depreciation: Work machinery	20,400
Office equipment	4,600
Sales	752,420
Factory fuel and power	16,280

Additional information:

i. At 31st December 2017, inventories were as follows:

	(RM)
Raw materials	58,000
Work in progress	32,000
Finished goods	38,000

ii. Rent is to be apportioned: Factory ¾; Office ¼ .

iii. At 31st December 2017 factory fuel and power expenses unpaid was RM640 and office salaries paid in advance was RM10,000.

Required

a) Prepare a manufacturing account for the year ended 31st December 2017. (15 marks)

b) Prepare the statement of profit or loss and other comprehensive income for the year ended 31st December 2017. (10 marks)

(Total 25 marks)

Continued...

Question 2

On 1st January 2017, Happy Angling Club had the following assets:

Club house buildings	RM12,500

Receipts and Payments Account for the year ended 31 December 2017

	RM		RM
Balance at bank 1 Jan 2017	20,000	Rent and rates	1,200
Subscriptions 2017	3,500	Extension to club house	9,500
Subscriptions 2018	380	Secretarial expenses	480
Visitors fees	5,000	Interest on loan	620
Loan from bank	7,000	Games equipment	1,600
Competition fees	920	Expenses of social events	450
		Sports equipment	2,000
		Balance at bank 31 Dec 2017	20,950
	36,800		36,800

Games equipment and sports equipment should be depreciated by 20% and 40% per annum respectively.

Required

a) Prepare the income and expenditure account for the year ended 31 December 2017. (13 marks)

b) Prepare the statement of financial position as at 31 December 2017. (12 marks)

(Total 25 marks)

Continued...

Question 3

Part A

Below are the details provided by ABC partnership.

i) Net profit for 2017 was RM120,000.
ii) Interest to be charged on capitals: Basha RM3,500; Sasha RM2,500; Sisha RM1,500.
iii) Interest to be charged on drawings: Basha RM300; Sasha RM400; Sisha RM250.
iv) Salaries to be paid: Sasha RM20,000; Sisha RM25,000.
v) Profits to be shared: Basha 70%; Sasha 20%; Sisha 10%.
vi) Current accounts:Balance b/d Basha RM20,000; Sasha RM9,000; Sisha RM8,000.
vii) Capital accounts: Balance b/d Basha RM100,000; Sasha RM50,000; Sisha RM25,000.
viii) Drawings: Basha RM39,000; Sasha RM27,000; Sisha RM16,000.

Required

a) Prepare the profit and loss appropriation accounts for the year ended 31 December 2017. (8 marks)

b) Prepare the statement of financial position (extract) as at 31 December 2017. (10 marks)

Part B

Items	Investing activities	Financing activities
Example: Sales of business	√	
a) Interest received		
b) Dividends from associates		
c) Issue of ordinary shares capital		
d) Ordinary dividends paid		
e) Receipt from sales of equipment		
f) Repayment of debentures		
g) Payment to acquire fixed assets		

Required

Determine whether the above items should be included under investing or financing activities.

(7 marks)

(Total 25 marks)

Continued...

Question 4

The trial balance of Hisham Berhad at 31 December 2017 was as follows:

	Debit	Credit
	(RM)	(RM)
Share capital		200,000
Retained earnings (1 January 2017)		25,000
Premises at cost	165,000	
Machinery at cost	45,000	
Accumulated depreciation on machinery		10,000
Purchases	150,200	
Sales		300,000
General reserves (1 January 2017)		10,000
Office expenses	17,100	
salaries	50,000	
Rental	4,000	
Cash	47,370	
Electricity	500	
Bad debts	800	
Allowance for doubtful debts		970
Accouts receivables	21,000	
Accounts payables		18,000
Inventory (1 January 2017)	20,000	
Bank	43,000	
	563,970	563,970

Additional information:

i. The authorised and issued share capital is divided into 100,000 shares of RM1 each.
ii. Inventory at 31 December 2017 was valued at RM30,000.
iii. Salaries accrued at 31 December 2017 amounted to RM1,000.
iv. Rental paid in advance at 31 December 2017 amounted to RM500.
v. A dividend of RM20,000 is proposed for 2017.
vi. The allowance for doubtful debts is to be increased to RM1,200.
vii. A depreciation charge is to be made on machinery at 10% per annum on cost.
viii. The company estimated the corporation tax to be RM2,500.
ix. RM3,500 was transferred to general reserves.

Required

a) Prepare the statement of profit or loss and other comprehensive income for the year ended 31 December 2017. (22 marks)

b) Prepare the statement of changes in equity for the year ended 31 December 2017. (3 marks)

(Total 25 marks)
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